USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 9/28/2004

GAIN Report Number: PO4024

Portugal

Fishery Products

Annual

2004

Approved by:
Steve Hammond
U.S. Embassy

Prepared by:
Leonor Ramos

Report Highlights:
Due to the weaker dollar vis-a-vis the Euro, U.S. seafood products will likely continue to be very competitive in the Portuguese market. Frozen cod, and salted wet cod for processing will likely remain the top sellers. (LR100SH7)

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Madrid [SP1]
[PO]

TABLE OF CONTENTS

Executive Summary

U.S. seafood product exports into Portugal have been trending up in 2004. It appears that the weakening U.S. Dollar vis-à-vis the Euro is one of the major driving factors. One year ago, the Dollar was worth € 0.89, and recently it is down to € 0.78. As a result, U.S. commodity-type fish (processing cod, squid and certain minced fish products) are now more price competitive and in greater demand.

U.S. exports may further benefit from the fact that Portuguese total 2004 fish landings will be slightly reduced from 2003. The reduction is due to reduced flatfish fishing rights in the north Atlantic waters. However, we are forecasting a very modest recovery in 2005, because the national fleet has been promised increased rights for other fish species. Over the medium term, we expect Portuguese fish catch will likely remain stable at about these levels.

While U.S. prospects in the commodity market are improving as we noted above, unfortunately, it appears that this is a declining market. We expect Portuguese overall edible fishery product imports to trend slowly down due to a continuing decline in frozen fish use.

For more information, please contact:
AgLisbon@USDA.Gov
Tel: + 351 - 21 770 2354/56
Fax: + 351 - 21 726 9721

Groundfish, Whole/ Eviscerated

Production, Supply & Distribution Table

PSD Table

Country	**Portugal**					
Commodity			**Groundfish, Whole/Eviscerated**			(MT)
	2003 USDA Official [Old]	Revised Post Estimate [New]	2004 USDA Official [Old]	Estimate Post Estimate [New]	2005 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin		01-2003		01-2004		01-2005
Beginning Stocks	5,000	5,000	5,000	5,000	0	5,000
Total Production	14,000	8,341	12,000	8,500	0	8,500
Intra-EC Imports	39,000	35,134	40,000	34,700	0	34,000
Other Imports	45,000	41,239	46,000	45,000	0	50,000
TOTAL Imports	84,000	76,373	86,000	79,700	0	84,000
TOTAL SUPPLY	103,000	89,714	103,000	93,200	0	97,500
Intra-EC Exports	4,300	4,819	4,200	6,000	0	6,500
Other Exports	550	1,570	560	1,400	0	1,200
TOTAL Exports	4,850	6,389	4,760	7,400	0	7,700
Domestic Consumption	93,150	78,325	93,240	80,800	0	84,800
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	93,150	78,325	93,240	80,800	0	84,800
Ending Stocks	5,000	5,000	5,000	5,000	0	5,000
TOTAL DISTRIBUTION	103,000	89,714	103,000	93,200	0	97,500

Production

General

PORTUGAL: HARVESTED GROUNDFISH FROM 1999 TO 2005

	1999	**2000**	**2001**	**2002**	**2003**	**2004 (E)**	**2005 (F)**
PRODUCTION: METRIC TONS, LIVE WEIGHT							
Cod	4,212	3,779	4,385	4,118	5,685	5,600	5,600
Hake	3,707	3,058	3,396	3,145	2,758	2,750	2,750
All Other	4,281	4,990	5,364	4,911	4,069	4,400	4,400
TOTAL	**12,200**	**11,827**	**13,145**	**12,174**	**12,512**	**12,750**	**12,750**

Source: National Statistics Office (INE) Portuguese Fisheries General Directorate (DGPA). "Groundfish" includes cod, hake, Pollack, haddock and halibut. (E) Estimate. (F) Forecast.

The Portuguese groundfish catch varies only slightly from year-to-year, because it is limited by fish-catch quotas in international waters. Within that catch, we do expect a slight increase in halibut catch in Greenland waters of revised Total Allowed Catch levels (TACs). For more details on Portuguese TACs, please check the Production policy section under Total Edible Fishery Products. For reporting purposes, we include here the following species, fresh and frozen: cod, hake, whiting, halibut, pollock and haddock. All the data was converted to headed and gutted weight.

Quality

Fish quality is very important in the Portuguese market. Consumers recognize quality factors and demand the best for their money. In particular, the quality of cod salted and dried, and fresh fish are important to consumers. In general terms, the fresher the fresh fish and the thicker the salted and dried cod, the better it is received in the Portuguese consumer market. Industrial users are more sympathetic to the price-quality relationship. These are the users importing increased quantities from the United States.

Consumption

Portugal: Groundfish Consumption

	1999	2000	2001	2002	2003	2004	2005	Inc. (%)
CONSUMPTION: METRIC TONS, HG WEIGHT								
Cod	41,064	23,779	37,253	39,526	45,610	49,350	53,590	8,6
Hake	31,975	30,739	30,808	30,142	30,832	28,689	28,339	-1,2
All Other	5,367	4,337	6,574	3,384	1,884	2,761	2,871	4,0
TOTAL	78,405	58,855	74,635	73,053	78,325	80,800	84,800	5,0

Source: FAS Office.

We expect total groundfish consumption to be up in 2004 and 2005, due to increased cod availability on the local market. The current processing margins favor cod de-freezing, salting and drying over finishing wet salted cod (see more Cod section of Report). As a result, the consumer will likely benefit with the additional availability at somewhat reduced prices.

Fresh cod is primarily used for mincing, for direct sale, or further processing by the ready-to-eat industry. We also expect frozen halibut processing to be up slightly.

Trade

General

	1999	2000	2001	2002	2003	2004	2005	Inc. (%)
IMPORTS: METRIC TONS, HG WEIGHT								
Cod	43,388	25,086	37,303	39,413	45,264	49,560	54,000	9,0
Hake	30,420	29,663	29,249	28,529	29,897	28,250	28,000	-0,9
All Other	3,797	3,172	5,074	2,405	1,211	1,890	2,000	5,8
TOTAL	77,605	57,921	71,626	70,346	76,373	79,700	84,000	5,4

SOURCE: National Statistics Office (INE) and FAS Office. All data is in headed and gutted basis.

FAS/Lisbon forecasts increasing Groundfish imports through 2005, due mostly to the increased frozen cod processing. We also expect imports of fresh cod and haddock for mincing and fresh hake for direct consumption to be up, favored by a weaken U.S. Dollar. The official statistics also show an expansion in trade during January/July 2004 over the same period in 2003 for frozen halibut, whiting and Pollock for processing.

PORTUGAL: 1999 TO 2004 GROUNDFISH IMPORTS BY ORIGIN

	CY-1999	CY-2000	CY-2001	CY-2002	CY-2003	Jan/Jul 2003	Jan/Jul 2004	Inc (%)
	77,605	**57,921**	**71,626**	**70,346**	**76,373**	**49,107**	**51,338**	4,5
-- U.S.	16,543	6,635	9,134	4,942	5,700	3,176	5,604	76,5
-- EU	29,509	27,012	28,654	33,585	35,134	22,576	22,315	-1,2
Spain	27,414	24,461	23,676	24,948	29,039	18,342	16,874	-8,0
U.K.	1,292	1,293	2,348	2,666	2,652	1,928	1,489	-22,8
Denmark	574	648	1,516	4,430	2,354	1,744	2,221	15,2
Other EU	229	610	1,114	1,541	1,088	561	1,731	39,7
-- Non-EU	31,553	24,273	33,839	31,819	35,539	23,356	23,419	0,3
Russia	17,128	12,574	22,973	22,664	25,319	17,439	16,202	-7,1
All Other	16,543	6,635	9,133	4,942	5,700	3,176	5,604	76,5

Units: Metric Tons. Source: National Statistics Office (INE). All data converted to headed and gutted weight basis.

Trade Matrixes

Import Trade Matrix for Groundfish, H&G

Import Trade Matrix

Country Portugal

Commodity Groundfish, Whole/Eviscerated

Time Period	Jan/July	Units:	Metric Tons
Imports for:	2003		**2004**
U.S.	3,176	U.S.	5,604
Others		Others	
Spain	18,342	Spain	16,874
U.K.	1,928	Denmark	2,221
Other EU	2,306	Other EU	3,220
Russia	17,439	Russia	16,202
S. Africa	3,012	S. Africa	2,920
Norway	2,140		
Total for Others	45,167		41,437
Others not Listed	764		4,297
Grand Total	49,107		51,338

Export Trade Matrix for Groundfish, H&G

Export Trade Matrix

Country Portugal

Commodity Groundfish, Whole/Eviscerated

Time Period	Jan/July	Units:	Metric Tons
Exports for:	2003		**2004**
U.S.	6	U.S.	18
Others		Others	
Spain	2,196	Spain	2,583
Other EU	552	Other EU	885
China	171	China	258
Taiwan	64	Brazil	39
Hong-Kong	50		
Japan	49		
Total for Others	3,082		3,765
Others not Listed	84		61
Grand Total	3,172		3,844

Policy

General

Portuguese resource management in national and international waters is coordinated by the EU, which also negotiates fishing quotas on Portugal's behalf, and represents Portugal in the negotiation of international fishing agreements and bilateral accords. EU sovereignty in fishing matters will be strengthened under the EU Constitutional Treaty.

As a consequence of the EU Fisheries policy reform (contained in EU Regulation 2369/02), species with conservation problems will be managed through new recovery plans to be set by the EU, which will apply accumulatively with the Total Allowed Catch (TAC) Regime (see more under Policy, in Total Edible Fishery Products Section in Report). The EU has already developed plans for Northern Atlantic hake and cod, and is preparing another for hake populations in Portuguese waters. Plans under discussion between local authorities and the EU include measures to control fishing, and closing of fishing areas.

Tariffs

Portuguese groundfish imports are subject to the EU import tariff regime. Most significant processing groundfishes are subject to the EU duty suspension regime. Below please find a summary table with the import tariffs currently applicable to most relevant groundfish species. Please check also the similar sections under Salted Cod, and Total Edible Fishery Products for additional information on the EU trade regime.

EU Import Quota to Benefit Processors (*)

Tariff Code	Description	Yearly Quota (M.T.)	Quota Duty (%)	Quota Period
	Fresh Processing Cod	50,000	0	Jan/December
0302.50.10.20	- Gadus morhua			
0302.50.90.10	- Other species			
	Frozen Cod			
0303.60.11.10	- Gadus morhua			
0303.60.19.10	- Gadus ogac.			
0303.60.90.10	- Gadus macrocephalus			

(*) so-called "Autonomous Import Quota," set by EU Council Reg. 379/2004 dated February 24, 2004. Imports under the quota are still subject to "reference" minimum EU entry prices.

Summary Table for EU Frozen Cod and Pollack Import Tariffs

HTSCN	Product Description	Tariff in Effect
0302.50 0302.50.10 0302.50.10.20 0302.50.10.80	Fresh/Chilled Cod Gadus morhua For Processing Other	 12 %, suspended: 3% (*) 12 %
0302.50.90 0302.50.90.10 0302.50.90.90	Other Cod Species Gadus Ogac. For Processing Other	 12 %, suspended: 3% (*) 12 %
0302.63.00	Black Pollack (Pollachius virens)	
0302.69.51	Alaska Pollack (Theragra chalcogramma) and European Pollack (Pollachius pollachius)	7.5 %
0303.60 0303.60.11 0303.60.11.10 0303.60.11.90 0303.60.19 0303.60.19.10 0303.60.19.90 0303.60.90 0303.60.90.10 0303.60.90.90	Frozen Cod Gadus morhua For processing Other Gadus Ogac. For processing Other Gadus macrocephalus For processing Other	 12 %, suspended: 3% (*) 12 % 12 %, suspended: 3% (*) 12 % 12 %, suspended: 3% (*) 12 %
0303.73.00	Coalfish (Pollachius virens)	7.5 %
0303.79.55 0303.79.55.30 0303.79.55.90	Alaska Pollack and European Pollack Frozen Alaska Pollack Other	 15% 15%

(*) Annex VI of EU Reg. 104/2000. Importation of products indicated above is without limit, but must respect the conditions in Reg. 104/2000, and is subject to EU-set reference prices.

Marketing

We noted U.S. cod-export prospects earlier in this report, but pollock and halibut may do well in this market also, because of the EU tariff suspension regime in effect for these processing fishes.

For additional assistance, U.S. exporters wishing to export groundfish into Portugal should contact the FAS Office:

Office of Agricultural Affairs
Lisbon - Portugal
Telf.: + 351 - 21 770 2354/56
Fax: + 351 - 21 726 9721
Email: AgLisbon@fas.usda.gov

Cod, Salted, n.d.

Production, Supply & Distribution Table

PSD Table

Country	**Portugal**					
Commodity	**Cod, Salted**			(MT)		
	2003 USDA Official [Old]	Revised Post Estimate [New]	2004 USDA Official [Old]	Estimate Post Estimate [New]	2005 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin		01-2003		01-2004		01-2005
Beginning Stocks	150	150	150	150	0	150
Total Production	35,000	43,000	38,000	44,000	0	45,000
Intra-EC Imports	36,000	23,710	37,000	35,000	0	36,000
Other Imports	55,000	36,262	50,000	40,000	0	41,000
TOTAL Imports	91,000	59,972	87,000	75,000	0	77,000
TOTAL SUPPLY	126,150	103,122	125,150	119,150	0	122,150
Intra-EC Exports	3,826	2,823	3,800	2,500	0	2,400
Other Exports	10	7	10	30	0	40
TOTAL Exports	3,836	2,830	3,810	2,530	0	2,440
Domestic Consumption	122,164	100,142	121,190	116,470	0	119,560
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	122,164	100,142	121,190	116,470	0	119,560
Ending Stocks	150	150	150	150	0	150
TOTAL DISTRIBUTION	126,150	103,122	125,150	119,150	0	122,150

Production

Portugal: Salted Wet Cod Production Series
Units: Metric Tons, Headed & Gutted weight

	1999	2000	2001	2002	2003	2004	2005
Production	39,400	22,500	34,800	37,300	43,000	44,000	45,000

Source: FAS Office

The bulk of national salted wet cod production is derived from frozen imported cod. Only some 5% of total output presently results from the processing of cod harvested by Portuguese fishermen. According to the Portuguese cod industry, roughly half of the national catch is processed into salted dry cod, and the other half is frozen and minced.

Consumption

Portugal: Salted Wet Consumption from 1999 to 2995
Units: Metric Tons, Headed & Gutted weight

	1999	2000	2001	2002	2003	2004	2005
Production	39,400	22,500	34,800	37,300	43,000	44,000	45,000
Imports	112,574	93,369	87,675	72,976	59,972	75,000	77,000
Exports	3,146	2,702	5,235	3,762	2,830	2,530	2,440
Consumption	148,828	113,167	117,240	106,514	100,142	116,470	119,560

Source: National Statistics Office (INE) and FAS Office. We converted data from commercial to headed & gutted weight.

In addition to the processing margins noted earlier, salted wet cod use is also encouraged by the diversification policy implemented by the local cod industry, in order to better explore the market. Product types in expansion include low-priced, minced cod products, and pre-wet frozen cod, marketed at increasingly attractive prices. We expect these trends to remain unchanged in 2005, provided that the industry provisioning conditions are not drastically altered.

Trade

General

Below we provide tables with import and export data for all cod types for the 1999 to 2004 period, in Metric Tons, headed & gutted weight.

PORTUGAL: 1999 TO 2004 IMPORT SERIES FOR ALL COD PRODUCTS

	1999	2000	2001	2002	2003	Jan/July 2003	Jan/July 2004	Inc (%)
Salted Wet Cod Imports								
-- From U.S.	6,555	7,399	6,942	5,612	5,462	2,534	4,131	63,0
-- From EU	11,742	8,372	8,997	11,842	23,710	12,109	20,330	67,9
-- From All Other	94,277	77,598	71,736	55,522	30,800	21,732	22,884	5,3
Total Salted Wet	112,574	93,369	87,675	72,976	59,972	36,375	47,345	30,2
Salted Dry Cod								
-- From U.S.	0	0	0	0	0	0	0	
-- From EU	23,095	15,667	23,617	32,591	35,545	17,703	25,569	44.4
-- From All Other	31,856	30,943	22,124	21,533	22,006	11,331	7,963	-29.7
Total Salted Dry	54,951	46,610	45,741	54,124	57,551	29,034	33,532	15.5
Minced (Fresh, Frozen or Dry) and Canned								
-- From U.S.	386	632	1,390	2,032	2,060	1,507	1,542	2.3
-- From EU	1,142	1,424	1,729	2,685	4,139	3,380	416	-87.7
-- From All Other	321	476	1,266	817	830	395	224	-43.3
Total Minced Cod	1,849	2,532	4,385	5,534	7,029	5,282	2,182	-58.7
Whole, Fresh/Frozen Cod Imports								
-- From U.S.	15,171	5,332	5,984	3,500	5,199	2,950	5,420	83.7
-- From EU	2,756	2,894	5,575	10,652	11,269	7,855	7,940	1.1
-- From All Other	25,461	16,860	25,744	25,261	28,796	19,339	19,653	1.6
Total Fresh/Frozen Cod	43,388	25,086	37,303	39,413	45,264	30,144	33,013	9.5
Total Cod Imports								
-- From U.S.	22,112	13,363	14,316	11,144	12,721	6,991	11,093	58.7
-- From EU	38,735	28,357	39,918	57,770	74,663	41,047	54,255	32.2
-- From All Other	151,915	125,877	120,870	103,133	82,432	52,797	50,724	-3.9
Total Cod Imports	212,762	167,597	175,104	172,047	169,816	100,835	116,072	15.1

Source: National Statistics Office (INE). Products are presented in Metric Tons, Headed & Gutted basis. All data is in headed and gutted weight.

PORTUGAL: 1999 TO 2004 EXPORT SERIES FOR ALL COD PRODUCTS

	1999	2000	2001	2002	2003	Jan/July 2003	Jan/July 2004	Inc (%)
Salted Wet Cod	3,146	2,702	5,235	3,762	2,830	1,775	1,139	-35.8
Salted Dry Cod	4,247	6,481	8,372	9,651	10,378	5,084	6,701	31.8
Minced (Fresh, Frozen, Dry) and Canned	3,511	2,523	2,666	3,267	2,661	1,569	1,624	3.5
Fresh/Frozen Cod	5,132	3,826	2,973	2,632	3,444	1,496	2,216	48.1
Total Cod Exports	**16,036**	**15,532**	**19,246**	**19,312**	**19,313**	**9,924**	**11,680**	17.7

Source: National Statistics Office (INE). Products are presented in Metric Tons, Headed & Gutted basis. All data is in headed and gutted weight.

Factors Affecting U.S. Trade

U.S. salted wet cod is affected by the same price-quality factors indicated in the Groundfish section of Report under Consumption. Where it is considered a commodity, the landed price is extremely important and drives most of the purchasing here in Portugal.

Trade Matrix

Import Trade Matrix

Country Portugal

Commodity Cod, Salted

Time Period	Jan/July	Units:	Metric Tons
Imports for:	2003		**2004**
U.S.	2,534	U.S.	4,313
Others		Others	
Spain	5,222	Denmark	6,997
Netherlands	3,216	Spain	6,363
Denmark	3,097	Netherlands	3,978
Other EU	574	Sweden	2,665
Iceland	10,610	Other EU	327
Norway	7,337	Iceland	11,388
Russia	2,507	Norway	7,259
Canada	1,200	Russia	4,002
Total for Others	33,763		42,979
Others not Listed	78		53
Grand Total	36,375		47,345

Export Trade Matrix

Country Portugal

Commodity Cod, Salted

Time Period	Jan/July	Units:	Metric Tons
Exports for:	2003		**2004**
U.S.	0	U.S.	0
Others		Others	
Spain	815	Spain	473
France	535	France	369
Other EU	420	Other EU	272
Total for Others	1,770		1,114
Others not Listed	329		25
Grand Total	2,099		1,139

Policy

Tariffs

Salted cod, n.d. imports are subject to the EU-set import tariffs. EU Member States and Members of the European Economic Space (EES) have favorable access conditions and tariffs for all cod types (please see below).

WTO Quotas for Dry and Wet Cod and *Boreogadus saida*

		Quota (M.T.)	Quota Period	Quota Duty (%)	Regular Duty (%)
0305.51	**Dried cod, even salted, but not smoked**	25,000	Jan-December	0	
0305.51.10	- Dried, not smoked				
0305.51.10.10	- *Gadus morhua*				
0305.51.10.20	- *Gadus ogac.* species.				13%
					13%
0305.51.90	- Dried, salted cod				
0305.51.90.10	- *Gadus morhua*				13%
0305.51.90.20	- *Gadus Ogac.*				13%
0305.62.00	Wet Salted Cod				
	- For processing				13%
0305.62.00.20	- *Gadus morhua*				13%
0305.62.00.25	- *Gadus ogac.*				
	- Other:				13%
0305.62.00.50	- *Gadus morhua*				13%
0305.62.00.60	- *Gadus ogac.*				
	Fish of *Boreogadus saida* sp.				
0305.59.11	- Dried, un-salted				
0305.59.19	- Dried, salted				13%
0305.69.10	- Wet salted				

Note: Pacific cod, which is included in HTSCNs 0305.51.10.90, 0305.51.90.30, 0305.62.00.29, 0305.62.00.90, has no access to the WTO Quotas.

EU Additional Import Quotas to Benefit Processors (*)

Tariff Code	Description	Yearly Quota (M.T.)	Quota Duty (%)	Quota Period
0305.62.00. 20, 25 29 0305.69.10. 10	Cod and *Boreogadus saida*, salted or in brine, but not dried or smoked, for processing.	10,000	0	Jan/December

(*) so-called "Autonomous Import Quotas," set by EU Council Reg. 379/2004 dated February 24, 2004. Imports under the quota are still subject to "reference" minimum EU entry prices.
(**) In effect

EU Salted Dry Cod Import Quota for Norway

Product Description	Total Quota	Import Duty (%)	Period in Effect
Salted Dry Cod	13,250 Mt	0 pct	April 1 to Dec. 31

Marketing

We recommend U.S. exporters to sustain high-quality standards for exports to Portugal and increase contacts with the local cod industry. We also encourage regular participation in the CONXEMAR seafood show (see unde Total Edible Fishery Products). For further assistance, U.S. exporters wishing to export wet salted cod into Portugal should contact the FAS Office:

Office of Agricultural Affairs
Lisbon - Portugal
Telf.: + 351 - 21 770 2354/56
Fax: + 351 - 21 726 9721
Email: AgLisbon@fas.usda.gov

Total Edible Fishery Products

Production, Supply & Distribution Table

PSD Table

Country **Portugal**

Commodity **Total Edible Fishery Products** (MT)

	2003 USDA Official [Old]	Revised Post Estimate [New]	2004 USDA Official [Old]	Estimate Post Estimate [New]	2005 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin		01-2003		01-2004		01-2005
	210,000	217,293	215,000	200,000	0	205,000
Fresh/Frz Production	134,300	106,400	137,300	96,580	0	98,950
Canned Production	33,000	32,500	34,000	33,000	0	34,000
Cured Production	700	3,748	700	3,750	0	3,750
Total Production	168,000	142,648	172,000	133,330	0	136,700
Fresh/Frozen Imports	254,575	242,147	256,000	155,000	0	145,000
Canned Imports	4,270	5,567	4,000	5,000	0	5,000
Cured Imports	183,500	121,233	180,000	140,000	0	145,000
TOTAL Imports	442,345	368,947	440,000	300,000	0	295,000
Fresh/Frozen Exports	52,190	66,669	52,000	83,500	0	85,000
Canned Exports	7,086	14,742	7,000	20,000	0	21,000
Cured Exports	25,800	16,003	26,000	16,500	0	17,000
TOTAL Exports	85,076	97,414	85,000	120,000	0	123,000
Domestic Consumption	525,269	414,181	527,000	313,330	0	308,700

Production

PORTUGUESE TOTAL FISH HARVEST BY SPECIES FROM 1999 TO 2005

	1999	2000	2001	2002	2003	2004 (E)	2005 (F)
Sardines	71,972	66,318	71,947	68,762	66,622	66,500	66,400
Horse Mackerel	16,031	16,033	15,691	21,042	19,313	19,300	19,200
Mackerel	14,959	11,593	4,938	5,805	8,893	8,900	8,900
Red Fish	11,084	10,599	8,956	10,188	12,571	12,600	13,000
Silver Scabbardfish	10,466	7,135	6,888	6,647	6,530	6,500	6,500
Octopus	9,520	9,844	8,154	8,371	10,198	10,000	10,000
Tuna	5,132	3,027	3,489	4,241	2,928	2,900	2,900
Cod	4,212	3,779	4,385	4,118	5,685	5,600	5,600
Ray	3,731	2,325	2,645	3,053	3,688	3,700	3,700
Hake	3,707	3,058	3,396	3,145	2,758	2,750	2,750
Cuttlefish, squid & loligo	2,023	2,448	3,789	4,924	2,407	2,400	2,400
All Other	63,459	59,362	64,335	66,024	75,700	58,850	63,650
Total	216,296	195,521	198,613	206,320	217,293	200,000	205,000

Units: Metric Tons, Live Weight. Source: National Statistics Office (INE), and General Fisheries Directorate (DGPA), up till 2003, and FAS Office for 2004 and 2005. (E) Estimate. (F) Forecast.

PORTUGUESE TOTAL OCEAN AND AQUACULTURE HARVEST FROM 1999 TO 2005

	1999	2000	2001	2002	2003	2004 (E)	2005 (F)
Sea Catch	210,016	187,985	190,402	198,033	209,043	191,740	196,730
Aquaculture	6,280	7,536	8,211	8,287	8,250	8,260	8,270
Total	216,296	195,521	198,613	206,320	217,293	200,000	205,000

Units: Metric Tons, live weight. Source: National Statistics Office (INE) , and General Fisheries Directorate (DGPA), up till 2003, and FAS Office for 2004 and 2005. (E) Estimate. (F) Forecast.

We expect the Portuguese fish harvest to be down in 2004, due to a large reduction in flatfish fishing rights in NAFO regions (see Policy). The Portuguese Fisheries Directorate reports that total fish catch in coastal waters was down 10% during the first semester 2004 relative to the same period in 2003. We forecast a mild increase in 2005 total fish harvest, due to improved Red Fish and Greenland halibut fishing quotas.

Virtually all of the local fish catch is sold fresh, only some 30,000 tons are reported to be frozen, either aboard the vessels or on land by the local fish processing industry. Sardines, tuna fish and mackerel remain the primary raw materials of the canning industry. Cured fish production from Portuguese harvested fish is mostly stable (see Production under Salted Cod, n.d. section in Report). Quality of both fresh and frozen fish sold in the market is considered good and in compliance with EU health directives and regulations.

Below we provide latest fishing fleet indicators, published by the national statistics office.

Portugal: Fishing Fleet Indicators

Year:	1999	2000	2001	2002	2003	2004 (E)	2005 (F)
Number of Vessels	10,933	10,750	10,532	10,548	10,262	10,250	10,200
Tonnage - GT (*)	n.a.	118,372	118,306	119,158	114,306	114,000	113,500
Power (Kw)	397,938	402,116	405,874	412,927	399,046	398,000	396,000
Share of Vessels under 5 GT in Total (%)							
Number	85	84	84	84	86	85	85
GT (*)	n.a.	7	7	7	8	7	7
Power	22	23	23	24	27	24	24

Source: National Statistics Office (INE) for data up till 2003. (*) Tonnage in GT is defined in EU Reg. 2930/86. (E) Estimate. (F) Forecast.

Consumption

Portugal: Seafood Consumption

	1999	2000	2001	2002	2003	2004 (E)	2005 (F)
Total Consumption	444,417	384,408	393,340	402,887	414,181	313,330	308,700
Cod (*)	199,534	154,584	158,781	155,480	154,293	155,000	155,000
Sardines	33,175	27,616	30,646	52,527	29,773	29,500	29,000
Horse Mackerel	24,217	25,537	25,075	29,193	26,421	26,000	25,500
Shrimp	13,363	8,175	10,662	10,993	12,330	12,400	12,500
Red Fish	9,155	8,828	7,109	8,092	10,862	11,000	11,500
Mackerel	9,072	9,044	3,915	6,544	10,044	10,100	10,150
Cuttlefish, squid & Loligo	7,851	6,532	8,522	7,381	9,543	9,600	9,650
Tuna	16,522	10,926	8,563	11,042	9,091	9,000	9,000
Octopus	7,037	7,987	7,196	6,723	7,683	7,700	7,700
All Other Species	124,491	125,179	132,871	114,912	144,141	43,030	38,700

Units: Metric Tons. Source: Official statistics and FAS OFFICE. Note: data was converted to Headed and Gutted weight. (*) Cod consumed fresh, frozen, minced and dry. (E) Estimate. (F) Forecast.

We expect total edible fishery product consumption to be down in 2004 and again in 2005, because of shifting consumer buying patterns. According to trade sources, this is particularly affecting frozen fish sold at retail. We anticipate a moderate increase in salted dry cod use, due to favorable price trends (see Consumer Price Index Table below). Demand for fresh fish and crustaceans tend to be strong due to traditional eating habits, and the expansion of the upper-end restaurant business. Seafood consumption is subject to seasonal patterns. Fresh fish consumption peaks during the summer, as it is the must abundant production period of the year for the coastal fleet. It is also the harvesting period for the popular sardines. Frozen fish use tends to peak during winter, as this is the slowdown period for the local coastal fleet.

Portugal: Consumer Price Index (January to June)
Base (100): Average 2002 prices

	2003	2004	Variation (%)
Total (Except Housing)	**102.8**	**105.1**	**2.3**
Food	102.3	104.0	1.7
Fish, crustaceans and Mollusk	101.4	98.3	-3.1
Fresh/Frozen Fish	105.6	101.7	-3.7
Dry Fish	93.7	90.3	-3.7
Crustaceans and Mollusk	103.0	102.9	-0.1
Canned Fish	106.0	106.5	0.5

Source: National Statistics Office (INE)

Trade

General

We expect Portuguese total edible fishery product imports to come down in 2004, due to a reduction in frozen fish use at retail. Contrasting with the general trend, cod imports will expand sharply, due to current processing trends (see Cod section in Report). Below, we provide import tables for total edible fishery products in Metric tons, headed & gutted weight, and in value by species, for the period between 1999 and July 2004 and a forecast for 2005.

Portugal: Imports of Total Edible Fishery Products
(Units: Metric Tons)

	1999	2000	2001	2002	2003	2004 (E)	2005 (F)
Total Seafood Imports	384,063	339,187	355,714	365,359	368,947	300,000	295,000
Total Cod (*)	212,762	167,597	175,104	172,047	169,816	195,000	196,000
Tuna	16,462	12,745	10,706	13,281	12,219	11,000	10,000
Horse Mackerel	14,278	15,670	15,349	15,941	14,206	10,000	9,000
Sardines	7,254	6,842	7,135	11,150	11,951	12,000	12,500
Hake	30,420	29,663	29,249	28,529	29,897	28,250	28,000
Squid, loligo, cuttlefish	10,447	9,944	12,027	10,410	10,997	9,000	8,500
Shrimp	12,604	11,394	12,936	12,993	13,717	14,000	14,500
All Other	79,836	85,332	93,208	101,008	106,144	20,750	16,500

Source: National Statistics Office (INE) and FAS Office. (*) Fresh, frozen, minced, dry. (E) Estimate. (F) Forecast.

Portugal: Total Fishery Product Imports from 1999 to 2004
Units: 1,000 USD

	1999	2000	2001	2002	2003	2003 (J/Jul)	2004 (J/Jul)	Inc. (%)
Fresh	112,832	114,503	116,995	114,343	130,064	76,347	98,252	28,7
Frozen	254,956	201,452	243,051	250,717	307,385	188,965	213,786	13,1
Minced (Fresh/Frozen)	24,671	25,566	31,947	46,816	54,217	31,527	30,968	-1,8
Salted/Dry	391,926	302,567	308,977	285,068	292,064	159,867	225,211	40,9
Squid/ loligo/ Octopuss	112,589	105,776	108,580	111,184	123,989	211,343	65,913	-68,8
Shellfish	70,143	60,358	72,754	78,533	109,526	54,722	61,962	13,2
Canned	41,145	36,163	43,002	46,338	63,495	38,867	40,100	3,2
Total	1,008,263	846,385	925,305	932,998	1,080,740	761,638	736,194	-3,3

Source: National Statistics Office (INE).

Portugal: Fishery Product Imports by Species from 1999 to 2004
Units: 1,000 USD

	1999	2000	2001	2002	2003	2003 (J/Jul)	2004 (J/Jul)	Inc. (%)
Cod	101,603	359,079	401,243	301,903	405,865	234,786	326,383	39,0
Hake	73,679	68,299	69,514	63,827	92,573	48,690	48,607	-0,2
Shrimp	93,929	92,233	95,236	91,756	85,657	38,814	38,930	0,3
Squid, loligo, cuttlefish	35,920	32,148	38,224	36,556	39,066	22,288	19,548	-12,3
Tuna	39,191	28,086	30,486	37,409	355,778	21,394	15,912	-25,6
Octopus	19,706	17,406	21,465	27,781	23,777	15,240	11,708	-23,2
Sardines	9,950	8,904	8,575	12,229	14,855	10,257	11,697	14,0
All Other (*)	634,285	240,230	260,562	361,537	63,169	370,169	263,409	-28,8

Source: National Statistics Office (INE). (*) "All Other" includes canned fish.

U.S. Dollar Rates

Year:	1999	2000	2001	2002	2003	2004
	1 U.S. Dollar Equal to:					
Euro	0.94 (*)	1.08 (*)	1.12 (*)	1.06	0.89	0.78

(*) Converted from Portuguese Escudo (1 Euro = 200.482 Pte.)

Factors Affecting the U.S.

The local trade reports to us that the price-quality ratio drives almost all fish purchases in the Portuguese market.

Trade Matrix

Import Trade Matrix

Country	Portugal		
Commodity	Total Edible Fishery Products		
Time Period	Jan/July	Units:	Metric Tons
Imports for:	2003		**2004**
U.S.	9,549	U.S.	13,634
Others		Others	
Spain	81,863	Spain	82,031
Denmark	16,552	Denmark	18,090
Netherlands	7,674	Sweden	16,021
Germany	3,588	Netherlands	8,637
Other EU-25	11,180	Other EU-25	13,332
Russia	25,913	Russia	27,066
Norway	16,437	Norway	11,913
Iceland	11,647	Iceland	11,675
S. Africa	6,061	S. Africa	6,997
China	3,874	India	2,005
Total for Others	184,789		197,767
Others not Listed	18,753		14,751
Grand Total	213,091		226,152

Export Trade Matrix

Country	Portugal		
Commodity	Total Edible Fishery Products		
Time Period	Jan/July	Units:	Metric Tons
Exports for:	2003		**2004**
U.S.	689	U.S.	789
Others		Others	
Spain	26,153	Spain	35,592
Italy	3,594	France	7,113
France	3,282	Italy	5,145
Other EU-25	4,740	Other EU-25	6,071
Canada	806	China	941
Angola	599	Canada	678
China	320	Angola	516
Switzerland	300	Switzerland	504
Total for Others	39,794		56,560
Others not Listed	4,961		3,275
Grand Total	45,444		60,624

Policy

Production Policy

Portugal is subject to EU Common Fisheries policies, whose latest reform dates to the end of 2002.

Fish producers consider the new EU Fishing Policy to be generally restrictive, due to both new fish stocks management rules, and changes in the EU investment subsidy regime. Local authorities are presently studying with the EU the development of fish stocks recovery plans for hake and cray-fish in national waters. New plans, will involve establishment of additional fishig restrictions, namely new fishing control measures and closing of fishing areas. New plans will come to effect in 2005.

The EU negotiations of Total Allowed Catch levels (TACs) in international waters are of the greatest importance for Portugal, given the high share of catch in international areas in the total production (27% of the total in 2003). Under the revision of NAFO TACs for 2004, Portugal suffered a large loss with the reduction in its fishing quota of flatfish, which was reduced from 40,000 Mt in 2003, down to 20,000 Mt in 2004. However, this was largely compensated by increased fishing rights of redfish in Greenland, which resulted from a re-distribution of un-utilized German fishing quotas. Further, Portugal also achieved a larger TAC for redfish in Faroe isands. These changes are forcing the national fleet to re-orient production, in order to maintain activity levels in spite of the fishing right losses.

The outlook for Portuguese fishing rights in international waters in 2005 is better. Portugal has managed to maintain its flatfish TAC in the NAFO region, while other TAC dispositions are considered to have been overall an improvement to local fishermen interests. For Portuguese TACs in effect in 2004, please check the EU Regulation 2287/2003 from December 19.

Portugal benefits from EU-backed structuring programs to reform its fishing fleet. Right now, local authorities are also involved in the discussions for the next structuring program to b in place between 2007 and 2012. Among others, Portugal is interested in maintaining EU financing of mixed societies in foreign countries – of particular significance in African countries --, as well as of ship abatement.

Tariff Regime

As a EU-Member, Portugal is subject to the EU trade legislation. For an overview of currently applicable tariffs to most significant seafood products traditionally imported from the U.S., please check the Tariff Table at the end of this report. For all fish categories, please check the Common Customs Tariff Schedule for 2004, published in EU Commission Regulation 1789/2003 (EU Official Journal L-17).

Due to provisioning needs of the EU fish processing industry, imports of certain fish categories benefit from the EU tariff suspension regime, and/or access to EU tariff-rate quotas. EU Council Regulation 1255/96, amended by Council EU Council Regulation 2285/2003, in effect as of January 1, 2004, stipulate a temporary tariff suspension regime for a list of products. The EU Common Fisheries Policy (EU Regulation 104/2000) also suspends totally or partially tariff duties for an indefinite period of time for a series of processing fishes.

Tariff-rate quotas for 2004, set up under the WTO Agreement, are published as Annex to the EU Commission Regulation 1789/2003. Autonomous import quotas for the 2004 to 2006 period have been set under Council Regulation 379/2004, dated February 24, 2004.

For an overview of current TRQs affecting most relevant seafood products for the local market, please check the Groundfish, and Salted Cod sections in this report. For more information on the EU TRQs, please check the FAS GAIN Report E24009, as well as mentioned EU legislation.

Certain fish products are also subject to EU-set reference import prices. Reference import prices in 2004 are set by EU Commission Regulation 427/2004, dated March 4, 2004.

Marketing

The Portuguese market for seafood can be viewed as a very difficult one, due to both a very demanding public, and limited disposable incomes. In order to develop markets here, U.S. exporters are advised to work closely with the local trade, and to participate regularly in regional seafood shows. We recommend regular attendance of the "Conxemar" Seafood Show, which is held yearly during the first week of October in Vigo, Spain. Due to its proximity to northern Portugal, “Conxemar” is attended by a large number of Portuguese fish importers. U.S. exporters wishing to export seafood into Portugal should contact the FAS Office:

Office of Agricultural Affairs
Lisbon - Portugal
Telf.: + 351 - 21 770 2354/56
Fax: + 351 - 21 726 9721
Email: AgLisbon@fas.usda.gov

FISHERY PRODUCTS STRATEGIC INDICATOR TABLE

U.S. Competitive Position	Measurement	Previous Year Situation	Current Year Situation	Next Year Expectations	5 Year Projections/ Expectations
U.S. Access Relative to Rest of World- Non-Tariff Measures (NTM)	Worse, equal, or better (choose one)	worse	worse	worse	Worse
U.S. Access Relative to Rest of World - Tariffs	Higher, equal, or lower (choose one)	lower	lower	lower	Lower
Presence of Marketing Programs (domestic and 3rd country) versus U.S. programs	More aggressive, about the same, or less aggressive (select one)	More aggressive	More aggressive	More aggressive	More aggressive
U.S. Prices Relative to Domestic and 3rd Country Prices	Higher, equal, or lower (choose one)	Higher	Higher	Higher	Higher
U.S. Market Share (3 Year. Average)	Percent	4.5	6.0	6.0	6.5

FISHERY PRODUCTS STRATEGIC INDICATOR TABLE

Market Attractiveness	Measurement	Previous Year Situation	Current Year Situation	Next Year Expectations	5 Year Projections/ Expectations
Per Capita Consumption of All Fishery Products	Kg per person	41	31	31	31
Per Capita Consumption of animal proteins (excluding fishery products)	Kg per person	62.5	62.6	62.7	62.8
Percent of population with refrigerators	Percent	96.1	96.2	96.3	96.5
Percent of fishery product sales at supermarkets	Percent	44	44	45	45
Percent of total food sales at supermarkets	Percent	50	50	51	51
Percent of animal protein sales at supermarkets (excluding fishery products)	Percent	22	22	22	22
Percent of fishery sales at HRI establishments	Percent	20	20	20	20
Percent of fishery sales at open markets	Percent	4	4	5	5

Tariff Table

PORTUGAL: Import Tariff Table

Product Description	Tariff in effect (%)
Processing Cod	12 (suspended)
Frozen monkfish	15
Loligo	6
Frozen Alaska Pollock	15
Frozen Pacific Salmon	2
Live Lobster	8
Fresh/Live Crawfish	12.5
Processing Tuna Fish	0
Frozen loligo (*loligo vulgaris*)	6
Processing Alaska Salmon	0 (suspended)

Note: Under the duty suspension regime, imported seafood must respect minimum entry prices.

The EU tariff schedule is published in EU Commission Regulation 1789/2003 of September 11, which was published in the official journal L 281, dated October 30, 2003.